

Marine Minerals Program

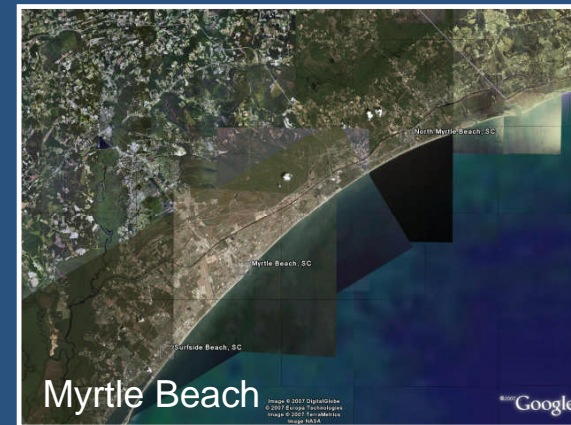
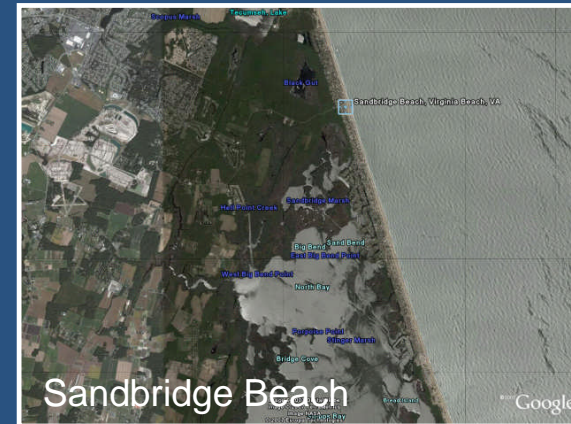
OCS Policy Committee Meeting
March 6, 2008
Herndon, VA

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Chief, Leasing Division



2007 S&G Non-Competitive Leasing

- 5.2 million yd³ of OCS sand provided for >30 miles of coast line
 - Sandbridge Beach, City of Virginia Beach (VA)
 - Myrtle Beach, City of Myrtle Beach (SC)
 - Myrtle Beach, City of North Myrtle Beach (SC)
 - Surfside Beach, Horry County (SC)



Active S&G Non-Competitive Requests

- Anticipate providing ~10-12 million yd³ of OCS sand for 3-4 projects in 2008
 - Pelican Island (LA) – ~5.5 m. yd³ from buried channel deposit for NOAA barrier island and marsh restoration. Convey use through 3-party MOA (new instrument) with LDNR.
 - Port of Charleston (SC) – ~4.0 m. yd³ from Charleston ODMDS for terminal expansion. Seeking legislative authorization for non-competitive status.
 - Raccoon Island (LA) – ~0.5 m. yd³ from buried channel deposit for USDA barrier island and marsh restoration.
 - Martin County (FL) – ~1.3 m. yd³ for USACE Martin County Shoreline Protection Project on Hutchison Island.
- Coordinating on NEPA for another 10 projects in MD, VA, NC, FL, and LA expected to be constructed in 2009-2011

Potential for Deep Sea Mineral Leasing

- Seafloor Massive Sulphide deposits, near hydrothermal vents and spreading centers, are rich in Cu, Ag, Au, and other valuable metallic ores
- Strategic need for these minerals in electronics and military operations. Increasing competition and value suggest resource may be important to U.S. and world economy
- International companies are developing robotic mining technology; for example, Nautilus Minerals, Inc. expects to be mining offshore Papua New Guinea by 2010
- MMS may receive requests in U.S. EEZ given 1) past interest in territorial EEZs of Guam and Northern Marianas and 2) probable expansion of the industry

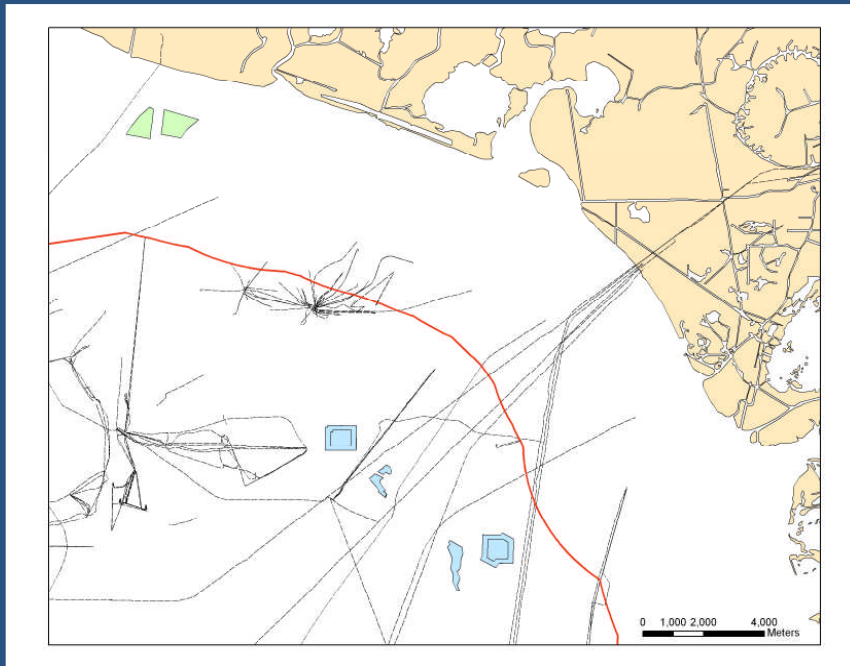


ROV Sampling SMS Deposits

Programmatic Policy Initiatives

- 2007 Marine Minerals Program review
 - Outcome: Revise Sand and Gravel Program application processing procedures
 - Outcome: Develop new Sand and Gravel Program Interim Policy Document
- New Sand and Gravel Program procedures developed and promulgated
 - All future environmental studies and documentation are the responsibility of the applicant
 - Environmental Division coordinates NEPA evaluation
 - Streamline negotiated non-competitive agreement process with new explanatory guidance materials

Regional Sand Management Working Groups

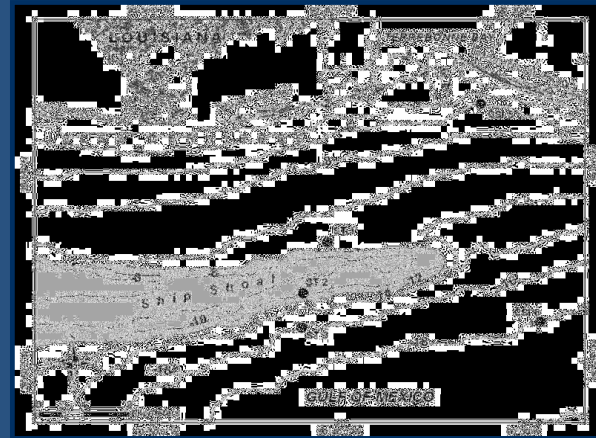


S&G borrow areas within 300 m of oil and gas pipelines

- Florida SMWG (9/07) Topics
 - Introduce new S&G policy
 - Review proposed Corps projects
 - Review scientific studies
 - Communities competing over same resource
- Louisiana SMWG (11/07) Topics
 - Introduce new S&G policy
 - Review proposed CWPPRA and LCA projects
 - Review scientific studies
 - Multi-use conflicts

Environmental Studies Update

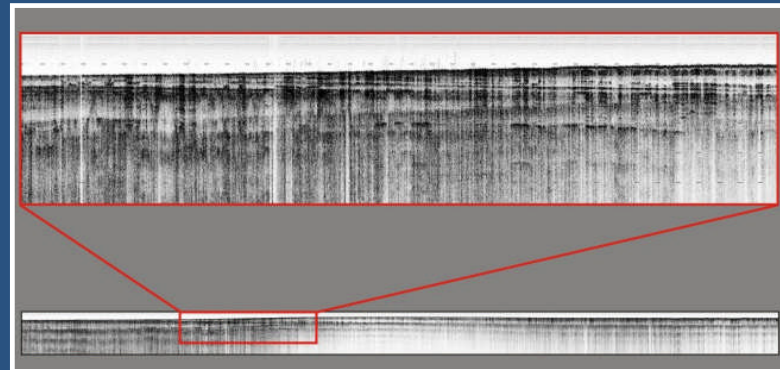
- LSU studies on Sabine Bank, Ship Shoal, and Tiger/Trinity Shoals offshore LA
 - Revising our understanding of hydrodynamics, sediment transport, and benthic communities on important OCS sand resources
 - Provide important information to support future lease decisions on important barrier island restoration projects
- Baird & Associates, Inc. study on Isle of Wight Shoal offshore MD
 - Observational and modeling data reveal complex processes maintaining shoals
 - Helping MMS develop dredging mitigations to maintain shoal integrity and habitat value



Sponge crabs found on Ship Shoal

Post-Katrina/Rita Offshore Sand Resource Assessment

- LA – Explore Tiger and Trinity Shoals offshore central LA coast
- TX – Explore Sabine and Colorado paleo-channels along eastern TX coast
- MS – Re-evaluate legacy data offshore Chandeleur Islands / Mississippi coast
- AL – Develop web application to distribute legacy resource data



Seismic reflection data collected on Tiger Shoal

Questions

